

Transportation Services Cost Report Instructions **Virginia Department of Medical Assistance Services (DMAS)**

The school division costs for transportation provided to Medicaid, Medicaid Expansion or Family Access to Medical Insurance Security (FAMIS) eligible students may be reimbursed when the following conditions are met: (1) special transportation is specifically listed in the student's IEP as a required service, (2) the student requires transportation in a vehicle adapted to serve the needs of the disabled, and (3) the student receives a medical service on the day that the special transportation is provided.

Total IEP related special transportation costs are computed following the Medicaid State Plan as approved by CMS. Reimbursement is cost based and must exclude all costs funded by federal grants. No costs used to determine an indirect cost rate may be claimed as a direct transportation cost for reimbursement.

Final reimbursement for these services is determined through the IEP related school based services transportation cost report. Payment is based on qualifying transportation expenditures for the Medicaid and FAMIS programs certified by the school division. DMAS pays the school division the federal share of the certified public expenditures for these services.

Cost Collection

Non-personnel costs incurred during the fiscal year for fuel, repairs and maintenance, capital items, insurance, rentals, and contract vehicle use are collected for reporting on the annual transportation cost report. All costs must be reported on an accrual basis.

Capital costs are allowed to the extent that they are used exclusively for special transportation. This includes specialized/adapted buses but specifically excludes items that support administrative and/or educational activities. Therefore, capital items such as computers and copy machines should not be included in depreciation cost. Capital costs should be depreciated if the value of the capital item is over \$5,000 and the estimated useful life is at least two years. School divisions must use the depreciation schedule (Section 2A) to record depreciation for all qualified capital items. They must send in copies of the purchase invoices with the cost report and retain the original purchase invoices. School divisions should use a straight

line method of depreciation. The useful life of any depreciated item must be determined by using guidelines developed by the National Association of State Directors of Pupil Transportation Services. Depreciation expense is not allowed after an asset is fully depreciated.

Salary and benefits include salary and benefit or contract costs for every individual involved in the driving and maintenance of special transportation buses for which the school is seeking Medicaid reimbursement during the fiscal year. The school may not include personnel engaged in supervisory activities or personnel performing administrative support activities such as route planning. Salary and benefit cost report should include only “hands-on” providers such as regular and substitute bus drivers and non supervisory mechanics. Bus aides should not be reported on this cost report since they participate in the time study for direct services. Salary costs associated with allowed personnel must be adjusted down for any sources of federal funding. If any personnel are 100 percent federally funded, they should be excluded from this cost report. The school division is expected to maintain supporting documents for all reported costs, including personnel and non-personnel costs. The school division must track funding sources for personnel costs because only state and local funds are allowable as a match for federally reimbursable costs.

To the extent that any allowed cost for transportation is reported as shared between regular and specialized buses, the cost must be allocated between the two groups of buses. For example, a pool of mechanics may work on specially equipped (SE) and regular buses and their salaries may not be specifically identified as such in the accounting records. In these instances, the school division must allocate costs using the ratio of SE buses/vehicles owned by the school division to total buses/vehicles owned by the school division. The same allocation method should be applied to fuel costs, parts, tires, insurance and any other non-specifically identifiable costs for transportation.

Reimbursable Cost Percentage

School divisions can use the quarterly eligibility report as a resource to identify Medicaid or FAMIS eligible students, aged 3 thru 22, attending a school in the school division geographical area. From this group of students, the school division can identify students who have transportation prescribed

in their IEPs and use SE bus transportation to receive IEP related medical services on any given day.

Reimbursement is based on the ratio calculated as the number of one way SE bus trips provided to Medicaid, Medicaid Expansion or FAMIS eligible students to receive IEP related medical services divided by the total number of one way SE bus trips provided to all students who use special transportation services. The ratio is calculated separately for Medicaid, Medicaid Expansion, and FAMIS eligible students.

In order to determine these ratios, school staff must keep trip logs for the SE buses. For example, Medicaid coordinators identify the students who have IEP related medical services requiring SE bus trips and bus drivers keep the logs of all trips by all students who ride the SE buses. Each student riding each SE bus is credited with two trips per day. **Trip logs must include all students riding the SE buses.**

Example: Ten students ride an SE bus for a week and one child has one IEP related medical service on one day. The numerator would be 2 (1 student x 1 day x 2 trips) and the denominator would be 100 (10 students x 5 days x 2 trips per day). The ratio would be 0.02 (2/100). If this ratio held true for the entire year and the bus cost \$50,000 to operate for the year, the qualifying costs would be \$1,000 (0.02 x \$50,000) and the federal share for reimbursement would be \$500 (0.5 x \$1,000).

Distribution of Cost Reports

Revised 2012-2013 cost reports and instructions are available on the DMAS web site at http://dmasva.dmas.virginia.gov/Content_pgs/pr-sbs.aspx .

Filing Deadline and Certification

School divisions should submit cost reports within five months of the close of the fiscal year (November 30). The school division superintendent or an authorized designee should certify the costs using the cost report forms made available by DMAS to each school division. School divisions should submit one paper copy with the signed certification and any additional documentation of costs as needed to:

Myers and Stauffer LC
4400 Cox Road
Suite 110
Glen Allen, VA 23060

Cost Settlement and Payment Reconciliation

Cost reports will be settled and a Notice of Program Reimbursement will be sent and, if appropriate, payment initiated, within six months of the date the cost report is received and deemed complete by Myers and Stauffer LC.

IEP Related School Based Services – Transportation Cost Report

The cost report has five sections. Complete shaded areas or below shaded headings only.

! Please only enter data in cells which are blue. Cells which are not blue are calculated cells !

Section 1 – School Division General Information

Informational data will be used throughout the cost report where needed. Once this information is entered here the spreadsheet will autopopulate the remaining cells where this same information is needed.

Col. B, Ln. 11 – Enter Name of Superintendent

Col. B, Ln. 12 – Enter Name of Finance Director

Col. B, Ln. 13 – Enter Phone Number of Finance Director

Col. B, Ln. 14 – Enter Email Address of Finance Director

Col. B, Ln. 15 – Enter Address

Col. B, Ln. 16 – Enter Address Line 2

Col. B, Ln. 17 – Enter City, State and Zip

Col. B, Ln. 19 – Enter the fiscal year that is being reported

Col. B, Ln. 21 – Enter the Unrestricted Indirect Cost Rate provided by the Department of Education for the applicable fiscal year.

Col. B, Ln. 24 - 27 – Enter the Trip Log information per “Reimbursable Cost Percentage” instructions discussed earlier in this document.

Col. C, Ln. 24-27 – The Reimbursable Cost Percentages will calculate automatically.

Sections 2A & 2 – Capital and Non-Personnel Costs

Enter the associated costs in column B of Section 2 from the school division's financial system. Total IDEA special transportation costs are computed following OMB Circular A-87 guidelines for allowable costs. Capital costs are allowable if used exclusively for special education transportation. Enter capital costs that need to be claimed in Section 2A and this will automatically transfer to Section 2. **Sign and date where indicated. This affirms that all information is correct.**

Section 3 – Salary, Benefit and Contract Costs

Insert rows in the blue highlighted areas to accommodate all the personnel you wish to include. **The instructions to add and delete rows are on the cost report form.** Keep job categories together in the appropriate sections. Copy formulas in columns U through AA along with the rows that have been inserted.

A. Personnel Information

Col. B – Enter employee's social security number, employee ID or contractor's FEIN

Col. C – Enter employee or contractor's last name

Col. D – Enter employee or contractor's first name

Col. E – Enter employee or contractor's job title

Col. F – Enter an "E" for employee or "C" for contractor

B. Funding and Percentages (Round to a whole percent)

Col. G – Enter the percentage of employee's salary that is funded by state/local funds. Exclude any state/local funds that are a required match for federal grants. Enter a percentage representing these funds in Col. K for other funding sources.

Col. H – Enter the percentage of employee's salary that is funded by IDEA funds.

Col. I – Enter the percentage of employee's salary that is funded by federal funds.

Col. J & K – If an employee's salary is funded by any other source, enter funding source in Col. J and percentage in Col. K. Use these columns for state/local funds that are a required match for federal grants.

Col. L – Is the sum of columns G, H, I and K. It will be calculated automatically. NOTE: Col. L should equal 100% for each employee even if it is a part-time employee or contractor.

C. Salary, Benefits and Contractor Payments (Round to the nearest dollar)

Col. M – Enter amount of annual salary paid for each employee.

Col. N – Enter amount of employer retirement contribution for each employee.

Col. O – Enter amount of employer paid group health insurance for each employee.

Col. P – Enter amount of employer paid dental insurance for each employee.

Col. Q – Enter amount of employer paid Medicare tax for each employee.

Col. R – Enter amount of employer paid FICA tax for each employee.

Col. S – Enter amount of other benefits.

Col. T – Enter amount paid to each contractor annually.

Col. U – Sum of columns M – T. It will be calculated automatically.

Col. V – Col. G times Col. U. It will be calculated automatically. ***Only costs from this column can be claimed for reimbursement.***

Col. W-Y – Col. H, I and K times Col. U. They will be calculated automatically.

Col. Z – Sum of columns V – Y. It will be calculated automatically.

NOTE: Col. Z should equal Col. U. Col. AA is a check column. If not equal to zero, then check funding percentages.

Section 4 – Personnel Costs

This section automatically calculates Medicaid, Medicaid expansion and FAMIS personnel costs for special transportation. No input is required. However, **sign and date where indicated. This affirms that all information is correct.**

Section 5 – Reconciliation

This section automatically calculates the Federal Financial Participation (FFP) in Col. F, which is the final reimbursement for the school division. If there have been interim payments, DMAS will report them in Col. G

and the amount due the school division (DMAS) will be calculated automatically in Col. H. *There is no data entry to be done in Section 5.*

Section 6 – Certification of Public Expenditures

This form certifies all of the school division's expenditures for special transportation services. The certification of public expenditures is necessary so that the State may claim matching funds or FFP from the federal government. Financial data and other information are automatically filled in. Sign and have it notarized. Return with the school division's completed cost report according to instructions.